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The Mongolia Monitor

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Mission News:

Throughout April, Mission staff were heavily engaged in preparing and finalizing the Embassy Country Team's first integrated (interagency) FY08 Operational Plan (OP); providing data on projected Mission Operational Expenses and Program Funded Administrative Expenses for input into the Mongolian component of the Agency's Budget Formulation and Execution Manager (BFEM) database; and preparing for the upcoming field project review season. At the very end of April, the USAID Representative traveled to Bangkok, Thailand to the Asia Bureau Mission Director's Conference.

Program News:

PROGRAM AREA: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic Policy Support

Impact of tax reform: EPRC is assessing the impact of new rates for Value added Tax and Corporate Income Tax. Personal Income Tax data is now expected to be available in April from the Mongolian Tax Authority.

Private sector development strategy: The project continues working on a "white paper" – "Mongolian Businesses Speak"--focused on constraints to private sector investment and

operations in selected sectors. The “white paper” is a tool for facilitating public and private sector dialogue with the explicit goal of improving the policy environment for private investment by providing a list of immediate priority actions to be taken by the Government of Mongolia (GOM). EPRC has been working on the development of a “white paper” focusing on four sectors: Cashmere production, Banking, Tourism, and Transport and Logistics. The EPRC team conducted a series of meetings with representatives of the private sector to determine specific constraints in those sectors, focusing on those where the GOM can take low cost, rapidly effective measures to mitigate the most important constraints.

Trade Policy Support

Feasibility study for Zamiin Uud logistics facilities: Following in-depth site visits and surveys and dialogue with public and private stakeholders, the project identified three major constraints for the efficient handling of imports, exports, and increased revenues from transit. These are, in order of importance:

- Insufficient number of locomotives and rolling stock of the Ulaanbaatar Railways (UBTZ), an issue being addressed through other projects and outside the scope of the present analysis;
- Inadequate road-to-rail trans-shipment facilities and management; and
- Inadequate physical facilities for border clearance.

In the forthcoming technical report, the project proposes two specific clusters of interventions:

- Improvements at the clearance services facilities at Zamiin Uud (Customs and State Specialized Inspection Agency); and
- New Road-to-Rail Trans-shipment Facilities using a Public-Private Partnership (PPP) model.

The results of the pre-feasibility study were discussed at the meetings with stakeholders and presented to an extended meeting of the National Committee on Trade and Transport Facilitation (NCTTF) and representatives of the private sector and international communities. EPRC is recruiting an international expert for the physical planning of the clearance services committee, and expects to reach an agreement with the NCTTF to proceed with technical assistance to develop the transshipment PPP.

National Program to Establish Single Electronic Window (SEW): EPRC continues providing support to the SEW Working Group in implementation of its national program. The project and the State Specialized Inspection Agency (SSIA) agreed to develop the improvement plan for information systems and local networks of the agency in preparation for the agency’s connectivity to the Single Electronic Window for Foreign Trade. EPRC and SSIA specialists jointly prepared an action plan to assess the IT system and network of the Zamiin-Uud branch and head offices in Ulaanbaatar. On 14-19 April, a joint EPRC and SSIA team worked in Zamiin-Uud to assess the progress of the installation of a Local Area Network (LAN), server system, computer systems, application software and internet connectivity, and the security of the information system.

Based on this assessment, EPRC jointly with SSIA will develop a staged plan to enable SSIA's connection to the Customs system in Zamiin-Uud as well as in Ulaanbaatar.

Technical support for the "Transit Traffic Agreement between the Governments of the People's Republic of China, Mongolia, and the Russian Federation": The Project re-drafted the General Agreement and five Annexes to the agreement, and prepared a concept paper and reference notes to assist the Mongolian technical working group on the agreement. The Trilateral Agreement was on the agenda of the Prime Minister's visit to Russia on 10-14 April 2008. The "Joint Mongolian-Russian communiqué" states that "Regarding the countries without access to sea, Mongolia proposed to restore as soon as possible the negotiations on finalizing the agreement on transit transportation with its neighboring countries. The Russian party expressed its understanding of the importance of making such agreement to landlocked Mongolia." Thus, the Ministry of Foreign Affairs (MFA), as a lead agency, must take the next steps. According to the MFA, preparation of the General Agreement and its Annexes are a pre-condition for organizing the next round of negotiations.

Competitiveness Support

New tourist circuits developed for the Japanese market: An EPRC consultant with the Mongolia National Tourism Organization conducted a three-day intensive course on the business conduct and mentality of Japanese travelers with the "Guide" training center and the Sustainable Tourism Development Center. Thirty persons interested in serving the Japanese tourist market attended the course.

Mongolia National Tourism Organization (MNTTO): EPRC assisted MNTTO in an industry wide presentation on the NGO. A total of 45 tourism companies attended the four hour session, resulting in six new members of the MNTTO and several expressions of interest to participate in MNTTO-initiated projects such as the Odyssey "Mongolia Guide and Companion" book, a familiarization trip for North American tour operators, and an international snooker tournament.

Energy Sector Support

Energy Sector Financial Status: The Ministry of Fuel and Energy (MoFE) and the Energy Regulatory Authority (ERA) continue collaborating on the tariff reform program and plans with significant support from EPRC as a first priority to improve the financial performance of energy sector entities. EPRC presented the detailed Tariff Reform Plan/Program to the ERA, which will provide input for the final document to be submitted to the Energy Working Group (EWG) in May. The ERA Board approved the two-part generation tariff methodology and process on 30 April.

Energy Working Group and GOM/external partners meetings: The first EWG meeting of 2008 was held on 17 April with all permanent members present. The next EWG meeting is scheduled for 15 May. The next GOM/External Partners Technical Meeting is not expected until after Naadam.

MoFE re-organization and priorities: The Project submitted its comments and recommendations on the latest draft energy sector policy and strategy document to the MoFE and USAID on 18 March 2008. The Cabinet has reviewed it and will submit it to the National Security Council soon. All Energy Working Group permanent donor members are now reviewing the document.

Public Information/Public Education (PI/PE) campaign: The project, in concert with the Press Institute, is conducting a series of workshops for print and broadcast media journalists. To date, six workshops have been held. The most recent workshop was held at the Darkhan CHP on 25 April. This event allowed Darkhan CHP officials the opportunity to explain their operations, functions and financial situation, as well as to present their issues, problems and future plans to upgrade and rehabilitate the plant, and afforded the media an opportunity to ask questions and make comments.

Performance Agreements: The ERA finalized the terms of a third Performance Agreement for 2008 with the Erdenet-Bulgan Electricity Distribution Network. Negotiations continue with CHP #4. Meaningful Performance Agreements create incentives for improving efficiency and performance, which will in turn reduce costs.

Energy legislation: Working groups continued drafting the Concessions and Energy Conservation Laws. EPRC completed a review of the Concession Law draft, submitted comments to the Minister of Justice and Home Affairs, and recommended that the Draft Concession Law be harmonized with the Draft Build, Operate and Transfer (BOT) Law which is also currently circulating for comments. The amendment to the Energy Law will remain dormant until after the upcoming Parliamentary elections in June.

Development of the CHP #5 Tender Process and Documents: The WG submitted the draft tender for the CHP #5 to the Minister of Fuel and Energy on 7 April. EPRC had the opportunity to review parts of the tender documents and is submitting a letter to the Minister expressing numerous reservations on the tender documents and process. The Cabinet will discuss the proposed tender on 7 May.

National Dialogue Support

Design of new Open Government television program series: Following the evaluation of proposals, a local studio was selected to work on the production. The first program of the series will highlight the Ulaanbaatar heating system and will be aired in mid May.

English language website for the Mongolian Tax Authority (MTA): The project continues working with MTA on the development of an English language website to make tax information available to foreign investors and residents. Expected formal launch of the site is expected to take place in early May, during the national Taxpayers' Week.

Taxpayers' public information campaign: MTA and the project are about to finalize the production of two series of short TV spots focused on new facilities being offered through the MTA website such as electronic tax filing and access to a company names

database for company name registration. They will be on the air during the National Taxpayers' week in May.

Gobi Regional Economic Growth Initiative (GI)

Mercy Corps

www.mercycorps.org.mn

Sales

The Gobi Initiative uses sales generated from new business activities outlined in the formal business plans developed by project clients as an indicator of success. Total sales for herder and non-herder businesses for April 2008 reached \$53,901 and \$84,706 respectively, bringing total sales for herder businesses through the end of April 2008 to \$268,144 and for non-herder businesses to \$419,943. This gives an aggregate sales total for CY2008 through end of April of \$688,087 (CY2008 sales target is \$3.9 million).

Compared with the same period last year, total sales have increased 12% (up from \$614,322) and average sales per business are up 10% (to \$2,123 from \$1,931). Total sales generated by business clients under the Gobi Initiative Phase II (from January 2004) to date is \$9.4 million. This compares with total USAID funding for the Gobi Initiative cooperative agreement (less subgrant agreements) of \$5.5 million as of March 2008.

Loans

In April 2008, herder and non-herder clients took 10 loans with an aggregate value of \$32,291 for which Mercy Corps provided \$9,090 (28%) as additional cash collateral to commercial banks. The total number of loans accessed by Gobi Initiative clients in the first three months of the year is 131 and the total value of all disbursed loans increased to \$365,189, with the average loan size for the year remaining at \$2,788.

Mercy Corps has provided a total of \$142,216 as additional cash collateral for CY08. This constitutes a 39% share of collateral compared with the 84% share provided by Mercy Corps on average in the first months of Gobi Phase II in May 2004. Since that time 682 loans have been disbursed, with a total value of \$1.79 million. The repayment rate to date is 97%.

Chargé visit to Gobi Initiative

U.S. Chargé d'Affaires Brian L. Goldbeck visited Mercy Corps offices in Gobi-Altai and Bayanhongor aimags on April 22 and 24 respectively. He met Mercy Corps clients and Aimag staff who gave presentations on Gobi Initiative activities in their aimags. He also visited project clients during his trip, including "Buraat Bulag", a dairy producer; "Uilchin", a shoemaker; and veterinary service provider "Devshil Altai" in Altai. In Bayanhongor he met with entrepreneurs for the "Modon Urlag" carpentry workshop and Nano Beauty Salon, both of whom have received assistance from the program.

Employers Association founded in Gobi-Sumber

Mercy Corps and the Governor's Office of Gobi-Sumber Aimag have held three Business Conferences in Gobi-Sumber since 2003. As a result of these conferences, a branch of the

Employers' Association was founded in the aimag this April. The Employers' Association is an NGO working in 20 aimags and Ulaanbaatar districts to create a favourable business environment and protect the rights of businesses. Mercy Corps provided assistance to this branch of the Employer's Association via a consultancy on the subject of NGO establishment. The Director of Lucky Dent, D. Ariunaa—a Mercy Corps client—was selected to head this nonprofit organization. Another Mercy Corps client, **Mr.** Saintur, who is also the Director of the "Bid Bugdeeree" Partnership, was selected as Deputy Chief of the Employer's Association branch office.

Study Tours

A study tour on food production and packaging was held on April 7-8 for 19 Mercy Corps clients from five aimags. The clients traveled to Ulaanbaatar and visited bakeries, cafes, and secondary schools. The purpose of the tour was for participants to learn from the latest technology and skills used in Ulaanbaatar factories, to share experiences, establish market linkages and to network with potential partners. The clients attended HACCP training provided by Mercy Corps staff, which focused on food safety and hygiene standards. Several clients placed orders for packaging materials to the packaging company. Overall, the study tour was successfully organized and was well received by the rural businesses which participated.

Another study tour involved ten crop and vegetable producing clients from Uvurhangai Aimag who traveled to Ulaanbaatar to visit companies and individuals engaged in vegetable growing, greenhouse building and gardening. The clients visited six organizations, including the "Soyolj" gardening company, flower shops, the Women Farmer's Association, Green Garden NGO, Evergreen Land LLC and seed shops. The trip was successful and the participants bought training books, seeds, planting equipment, tools and greenhouse materials. They also learned about new technologies, tools and experiences from Ulaanbaatar businesses.

Proper use of veterinary drugs

Mercy Corps organized a workshop on the Proper Use of Veterinary Drugs in cooperation with the Veterinary Service Department of the Ministry of Food and Agriculture in Ulaanbaatar on April 10-11. The workshop was attended by 80 representatives from Ulaanbaatar and aimag veterinary services, veterinary drug producers, the Veterinary Research Institute, and inspection agencies. The goal of this workshop was to learn about the proper use of drugs, to find agreement on drug management practices, and to share experiences between participating organizations. The workshop was very successful and participants expressed their appreciation for the well-organized event. As a result, participants committed to improving their policies on, and the use of, veterinary drugs.

Consultant Certification

Training on "certification of local trainers" was organized by Mercy Corps for eight days running, 20-27 March, in Ulaanbaatar. The training was intended to strengthen the capacity of locally available business advisors and Business Development Service (BDS) providers. Attended by 32 local consultants from six Gobi aimags, it focused on

improving participants' understanding and skills on teaching methodologies and adult education. After the training, local consultants were given homework and were then expected to prepare individual assignments. In April the participants completed and delivered their individual assignments to "Gurvan Erdene" Pedagogical Institute. The Institute accepted all assignments and issued teaching certificates to all 32 local consultants and BDS providers.

Rural Business News magazine

Rural Business News (RBN) Magazine edition #58 was published in April. It contained 12 seasonal stories, messages to herders, farmers, businesses and local residents. The lead story focused on positive indicators for rural business. Ubiquitous Internet access is close to being a reality.

Edition #58 called for entries to an article competition for rural writers. Winning entries will be published in upcoming editions. The aim is to involve readers and build a network of contributors. The strategy also aims to increase subscription numbers in communities where articles are generated. Topics were provided and included services that rely on highways, local dairy production, animal husbandry, local cooperatives, and partnerships that are successfully running agricultural businesses.

Media for Business (MFB) approached Khan bank, which has nearly 450 sub-branches all over Mongolia, about opportunities for collaboration in the distribution of RBN Magazine. The business offer made by MFB involves at least 30 copies of RBN magazine being sold to each Khan Bank branch for 500 MNT. MFB is waiting for an official response.

Gobi Forage

A cable regarding the success of the Gobi Forage (GF) project was sent out by the US Embassy on 25 March 2008. The cable presented the achievements of the project since its inception and was a congratulatory statement for all involved who have worked hard to make the project a success. GF project expansion is under negotiation with the World Bank's Sustainable Livelihoods Project II, with a view towards expanding activities to an additional eight aimags.

Future events

Two roundtable discussions will be held on May 6 and 13 with the Dundgobi Aimag Tax Department and Professional Monitoring Agency. The discussions will focus on creating a better environment for businesses, cooperation between local business and government organizations, new tax laws, and legal requirements for running a business.

The 11th Conference for Microfinance Institutions will take place from 29-31 May in Ulaanbaatar. Mercy Corps will participate in this conference as a Platinum sponsor. During the conference, Mercy Corps will promote its activities and organize an exhibition of products made by its rural entrepreneur clients.

GER Initiative
CHF International
www.chfmongolia.org

In April, the GER Initiative helped to improve or expand 57 businesses, created 20 start-up businesses, and generated a total of 83 new jobs. Also this month, the GER Initiative matched 59 ger area residents to jobs.

Financial Services

GER facilitated 30 loans valued at \$50,548 with local partner banks in April. A further 29 USDA-funded Capital Augmentation Fund (CAF) loans valued at \$42,637 were disbursed through local banks. This month, we provided a fewer number of loan facilitation services due to the Mongol Bank's resolution to increase their interest rate and our partner banks' decision to temporarily stop loan disbursement.

Training and Consultancies

GER conducted 571 trainings with 275 clients participating, and 146 consultations were provided to 122 clients in April. This month nine service packages were delivered to 135 clients throughout the GER service area. The service packages include a number of related trainings and consultancies and other GER services based around certain client types or themes. The packaged services are offered at a discounted rate compared to the individual service components. Service Packages offered this month included: the New Loan Client Package, Market Linkage Package, Producer Business Package, Human Resource Management Package, Grocery Store Package, Start-Up Business Package, Business Group Package, Rational Planning Package, and Agriculture Business Package.

As the Mongolian farming season gets underway, the demand for GER agricultural services has started to increase. In addition to the service packages listed above, business trainings and agricultural trainings were provided for 71 farmer clients this month and included Running a Dairy Farm, Seed and Seedlings, Pig Farming, Planting Uncommon Vegetables, and Berry Bush Planting.

At the request of the cooperative development organization Mongolian-German Bridge NGO, the GER and IMPPACTS projects provided trainings for over 40 low-income and single mother clients who are running, or interested in running, a sewing business in Ulaanbaatar. The trainings taught the clients about the advantages of working as a group, and the basic functions of a cooperative. GER and IMPPACTS are now working with the participants that expressed an interest in working as a cooperative, specifically to assist them to form new cooperatives. The Mongolian-German Bridge NGO will provide these cooperatives with orders to produce cotton bags as part of their program to reduce the use of plastic bags in Mongolia.

Information Services

GER provided 870 information services to 486 clients, and eight information meetings were held with 72 clients participating in April. Of the eight meetings, seven focused on

business group development and one was related to the GOM's "Third Campaign to Utilize Wild Land" as discussed below.

In Selenge, GER organized a meeting to provide information about the GOM's "Third Campaign to Utilize Wild Land." A total of 22 residents participated in the meeting and received information about the campaign, including: where to apply to get financing, which NGOs are involved, which banks and non-bank financial organizations provide grants or special low interest loans for farmers, and requirements to get financing.

This month GER completed the Equipment Catalog for SME clients. The catalog contains information on over 50 types of equipment commonly used by GER clients and available through over 80 local companies and suppliers. The catalogue can be used as a reference tool for clients looking to purchase new or replacement equipment for their businesses.

In Erdenet, GER agreed with "Shine Dolgion FM107.1," the radio station of Erdenet Mining Cooperation, to broadcast radio lessons on successful GER clients twice a week. The first lesson was taught by GER's agricultural consultant on growing vegetables and building a greenhouse using simple, readily available materials.

Employment Services

GER matched 59 clients to jobs and 53 clients entered vocational training programs in April. A total of 50 employment trainings were held for 23 clients. An additional 83 jobs were generated as a result of new and expanded businesses that received other GER services.

Vocational trainings this month included cell phone repair and cashmere processing. The trainings were conducted at GER branches and through our partner vocational training centers such as Gobi, UB Carpet, Solongo, and Gegeerel. GER also signed a new training partnership agreement with the Mongolian Builders' Association.

Linkages and Trade Fairs

GER facilitated linkages between businesses worth approximately \$10,693 this month. New linkage relationships were established with Sukhleg LLC, Nomadic Expedition Tour LLC, US-invested Tree Camel Lodge, and Khangai Discovery tourist camps.

Business Groups Development

GER worked with 94 active groups this month. Eight new groups were formed, and three groups disbanded. In Ulaanbaatar, five informal groups were formed including one sewing group, one felt-making group and three groups involved in vegetable production. All newly established groups received the "New Business Group's" package service.

GER linked three vegetable business groups with the "Suman Gun" bakery to supply fresh cucumbers at \$0.43 per kilo. The "Suman Gun" purchased cucumber seeds and gave them free of charge to the group members according to their capacities. The first harvest is expected to appear in the middle of July.

PROGRAM AREA: MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

The Judicial Reform Project (JRP)
National Center for State Courts (NCSC)
www.ncsc.com

Courts

Last month the working group formed by JRP in cooperation with the Supreme Court and GCC for developing a manual on caseflow management met with Dr. Heike Gramckow, JRP Director, to exchange thoughts on the contents of the manual. Originally the objective of JRP assistance was to provide support in publishing a “walk through” manual on caseflow management that will provide a step-by-step guide for court personnel tasked with handling cases.

The members of the working group suggested that the manual should have a broader focus, and include all components of court management to ensure the implementation and institutionalization of new management principles and practices. It was agreed that the manual will consist of six sections: court administration, caseflow management, human resources management, IT & PR management, budget, finance and support services management, and judicial practice research and statistics management. The working group is aiming to complete the development of the manual in July.

In connection with the above task, JRP is assisting the GCC in organizing a meeting of court administrators. This will provide them with an opportunity to discuss the current court administration issues and developments, and come to a common understanding on new principles and ways to implement them. Additionally, the court administrators will discuss the initial draft of the 2009-2021 Strategic Plan for the Judiciary which is being developed with JRP assistance. The meeting is scheduled for May 29-30.

The JRP is assisting the GCC in developing the above mentioned Strategic Plan. In April, the JRP provided examples of strategic plans developed by former socialist countries (e.g., Bulgaria, Russia), and assisted in translating them.

Finally, the JRP continues to oversee updates to the judicial software. Last month, JRP IT expert Jim McMillian worked with the IT teams of the courts and Prosecutor’s Offices (POs) to define case registration and tracking software requirements, and developed detailed recommendations for upgrading the current systems. On April 25 the GCC adopted a new regulation on statistics and reporting, which will require changes to the case registration and tracking modules of the judicial software. The GCC and JRP IT teams are working together to integrate those changes in the current software upgrading process.

General Prosecutor's Office (GPO)

With the aim of ensuring the openness, transparency and accessibility of prosecution services to the public, the JRP agreed to assist the GPO in establishing a pilot Public Access Terminal (PAT) at the GPO. The equipment for the pilot site was delivered in April. Additionally, the JRP assisted the GPO in developing job descriptions for PAT officers and procedures on information release by providing sample materials from the courts. In April, the JRP signed an agreement with the GPO on funding the publication of two compilations on internal policies and regulations regarding the supervisory activities of prosecutors. These compilations were developed with the purpose of ensuring uniform implementation of prosecutorial supervision over criminal proceedings.

Police

The JRP completed the installation of equipment and internal networking at two pilot sites in April. The project also tested the functionality of installed networks and connected the pilot sites to the Virtual Private Network (VPN) of the Municipal Police and GPD through a fiber optic cable network (Mobicom). This will allow more efficient exchange of information, speed up case processing, and improve the internal oversight of criminal investigations.

Legal Clinic

The faculty of the Legal Clinic at the Otgontenger University is developing a training manual for professors providing instruction on how to teach in a clinic setting. Upon completion of the manual, the Otgontenger University will conduct training for the faculty of other law schools on teaching techniques and methodology for legal clinics. The training is scheduled for August.

Training

The monitoring of the trial skills trainings was organized at several District Courts (Bayangol, Bayanzurkh, Baganuur, Bagakhangai, Nalaikh, Sukhbaatar and Songinokhairkhan) in April, in cooperation with NLC, CCC, GPO, MAA and JRP trainers. The goal of this activity is to evaluate the application by legal practitioners of the knowledge and skills obtained from their daily activities.

Public Education

The JRP is continuing the distribution of the popular booklet "Contracts for Herders," and of the "Blue Book" public education series on CD-ROM. In March, the JRP concluded an agreement with Mongol Radio to create a new radio program to continue educating the public on the Criminal and Criminal Procedures Codes once the former program "Do Not Violate" concludes. In April, the JRP arranged for an expert to review the scripts; nationwide broadcasting of the program is expected to start in June.

In addition, the JRP assisted the GCC in developing and printing a poster on the newly adopted caseload standards. It provides the public with information on legally permitted time limits for case processing in the courts. Finally, the JRP is assisting the GPO in developing a poster on the newly established Prosecutors Ethics Council. This poster will

explain to the public how to submit complaints with regard to the unethical conduct of prosecutors.

Future Activities for May

In May, the JRP will continue to work with the courts and POs on the upgrading of their software; continue to assist the GCC in developing the Strategic Plan for the Judiciary; start the preparations for monitoring of the court decision writing trainings; start the process for upgrading the police software; and continue assistance to the Special Investigations Unit (SIU).

The Mongolian Electoral and Parliamentary Support Project (MEPS) ***International Republican Institute (IRI)***

www.iri.org

June 2008 Parliamentary Election Update

In April, the Citizen's Will Party (CWP) was in negotiation with several parties (including the Democratic Party, the Green Party, the Civil Movement Party, and the Mongolian Solidarity Party) regarding the possibility of forming a coalition with one or more parties. On April 24, the Chairwoman of the CWP, MP S. Oyun, and the Chairman of the Mongolian Solidarity Party, Mr. N. Nyam-Osor, announced that the management councils of their respective parties had agreed that the two parties would merge. Chairwoman S. Oyun stated that the merger will not affect the current name and management structure of the Citizen's Will Party. The decision to merge was reportedly based on the common values and principles shared by the CWP and the Mongolian Solidarity Party.

On April 10, MP L. Gundalai announced his decision to leave the Popular Party and join the Democratic Party (DP). At a press conference he presented a copy of the Popular Party Management Council's decision to relieve him from his duties as Chairman (and member) of the Popular Party. He justified his decision to join the DP by emphasizing the need to jointly overcome the challenges facing Mongolian democracy. Furthermore, he stated that the DP is the only political force that can lead Mongolia steadfastly to democracy.

On April 15, the Democratic Party (DP) organized an open meeting on the "Democratic Party and the 2008 Parliamentary Election." The event was hosted by the Chairman of the DP, Mr. Ts. Elbegdorj. During the meeting, Mr. Elbegdorj introduced the DP's platform for the upcoming election. Highlights of the DP's platform include:

- a recognition of the importance of individual responsibility and liberty;
- the importance of local decision making;
- fostering an industrial/economic boom;
- the sharing of Mongolia's mineral wealth with its citizens;
- improvements in infrastructure;
- the launching of anti-corruption efforts;
- improvements in the health and education sector;

- the promotion of ecology;
- the promotion of the tourism industry; and
- improving the overall standard of living.

Chairman Elbegdorj answered questions relating to the policies from the audience, which included representatives of embassies and international organizations in Mongolia.

First Nationwide Poll in Advance of Parliamentary Election

On April 16, IRI presented the results of its first pre-election public opinion poll to USAID and US Embassy officials. Subsequently, IRI presented the results to the major Mongolian political parties.

Second Nationwide Poll in Advance of Parliamentary Elections

On April 24, IRI concluded an agreement to conduct a second pre-election poll with the assistance of Drs. Burenjargal and Oyunna of the Academy of Sociology of the National University of Mongolia—the same organization that collected the data for the first poll. The second public opinion poll will have a sample of 1000 respondents.

Ethics for MPs and High Ranking Officials

In April, IRI sent a letter to all 76 MPs encouraging them to approve ethics legislation that would apply to MPs and high ranking officials before the spring session is over. Ethics legislation now appears on the SGH spring session agenda.

Assisting the SGH in Adopting and Implementing Committee Rules

In April, IRI was in frequent contact with the chairs and officers of the three remaining standing committees of the SGH that have not yet adopted rules of procedure. Those committees are (1) Budget, (2) Law, and (3) Foreign Policy and Security. IRI informed these committees that IRI will be publishing a handbook that will include rules from all committees that have adopted rules as of April 30. IRI has translated the rules of procedure for the committees that have adopted rules in preparation for the publishing of this handbook.

Poll Watcher Trainings

In April, IRI Mongolia made preparations to conduct poll watcher trainings in May and June. Trainings will be conducted in Ulaanbaatar and 11 aimags (with participants from all 21 aimags). Participants will be instructed in voting procedure, Election Law, the rights and responsibilities of election observers, methods to recognize and prevent election fraud, and the process for documenting alleged instances of election fraud.

Poll Watcher Manual

In April, IRI Mongolia composed a draft of the 2008 Parliamentary Poll Watcher Manual. The finalized manual will be distributed throughout the country in advance of Election Day (expected to take place on 29 June 2008). The manual is being composed by IRI in cooperation with Professors D. Sukhbaatar and Ch. Tamir of the National University of Mongolia. Both men are veteran poll watcher trainers. The manual is being edited by IRI and the chief lawyer of the General Election Commission, Mr. D.

Bayanduuren. The manual will include forewords by the Chairman of the Mongolian General Election Commission, Mr. B. Battulga, and IRI President, Mr. Lorne Craner.

The Mongolia Anti-Corruption Support Project (MACS)

The Asia Foundation (TAF)

www.asiafound.org

IAAC Institution-Building and Advocacy

On April 24th, TAF signed a Memorandum of Understanding with the IAAC that stipulates the principles of collaboration between the two organizations, and the framework for activities that will be jointly implemented to prevent corruption and increase public understanding and transparency of IAAC activities. Joint activities will encourage citizens to report corruption and engage as partners with the IAAC to combat corruption.

Between April 25th and May 7th, TAF mobilized Mr. Tony Kwok, ex-Deputy Commissioner of Hong Kong's Independent Commission Against Corruption, for a sixth visit to the Mongolian IAAC. On April 30th, he conducted training and provided assistance to the heads of the working groups, assigned by the Ministers to develop anti-corruption assessments and action plans for their respective Ministries or line Agencies.

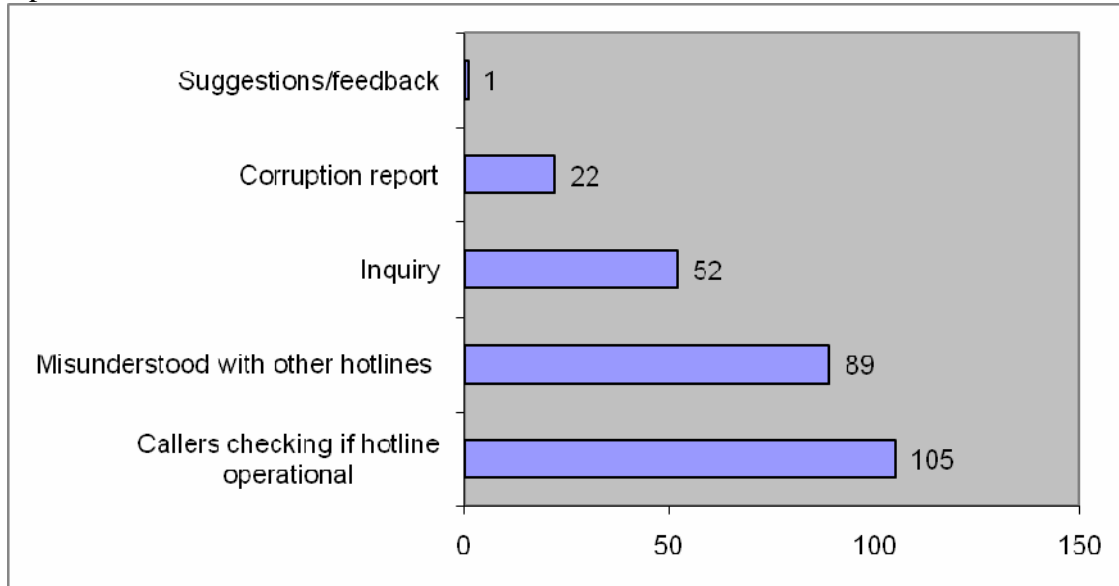
The IAAC has finalized the review of the income and asset declarations of the high ranking public officials and found 40 incidences of intentional false declarations. As a result, they have started taking legal measures to dismiss those officers from their public positions. For example, Century's News newspaper reported on April 30th that the IAAC has sent a letter to Mr. Raash, Minister of Road Transportation and Tourism, and asked him to dismiss Mr. Mendbayar, Deputy head of General Office of Civic Aviation, from his position due to submittal of a false income and asset declaration.

Prime Minister Bayar decreed, shortly after taking office in January 2008, that all ministries had to assess corruption risks and develop anti-corruption action plans within five months. He held a retreat with State Secretaries and Ministers in March 2008, where anti-corruption framework plans were developed. According to Bayar, he wants to initiate a process that will be irreversible under any subsequent administration, and he has reiterated that his government's policy is "zero tolerance for corruption". These and other expressions of will to combat corruption are evidenced in the fifth anti-corruption benchmarking survey, which found that 46.4% of citizens who believe that the current government will do better than it's predecessor, as compared with 17.3% in September 2007.

Public Awareness and Education

In partnership with TAF, the IAAC launched the second phase of the multi-media campaign in support of the Corruption Reporting Center and hotline from February 11 to March 9. The Center received 269 calls in April (see chart below for specifics).

Corruption Reporting Center
April 2008



Since the launch of the campaign on November 19, 2007, the Corruption Reporting Center has received 1,457 calls, of which 84 were corruption reports. The IAAC is currently investigating 48 corruption reports.

Benchmarking Survey

The fifth of TAF's semi-annual benchmarking surveys was completed in late March and was presented on April 29th at the Government House. Tony Kwok and Sumati, Director of Sant Maral, were invited to speak at the press conference. The press conference attracted coverage from all major print and broadcast media.

Last December, the IAAC launched a two-phase engagement and education campaign that continued to March of this year. Taken together, the impacts of IAAC prevention and public education may explain the greater fractional improvement in many metrics measured by the survey. Among these, the IAAC itself earned higher marks in terms of the public's evaluation of its performance, and rising public expectations for the future.

Encouragingly, public expectations for the IAAC's ability to combat corruption continue to mount, with 53.2% favoring it over the government or citizens. The IAAC rating has increased consistently over the five surveys, which is a favorable trend. Building further public confidence and trust in the IAAC, and a stronger partnership with the public, are essential to combating corruption in Mongolia.

Continued progress and evidence of government will are manifest in the results of the past survey. Over the past period, household level experience with corruption trended still lower, with 19% of respondents reporting personal experience with corruption, down consistently from a high of 28% two years earlier.

Over the past six months, the number of respondents expressing confidence in the Law increased by 6% to just over 25% of the sample population. This could be due, once more, to the IAAC's campaign, or other factors. However, the number reporting that the Anti-corruption Law is not functioning continues to hover close to three-quarters of the interviewees.

Persistently high negative numbers argue for ongoing and expanded education and awareness. This is especially true for (1) awareness-raising which communicates the gains achieved since passage of the Anti-Corruption Law in 2006; and (2) the more recent ratification of Criminal Code and Criminal Procedures Code Amendments in August 2007, after which the IAAC was added to the list of investigative bodies.

Donor Coordination

TAF continues to actively work with World Bank and ADB to enlist and coordinate donor support for the IAAC.

CENTRALLY (USAID/W) AND REGIONALLY (USAID/RDMA) FUNDED PROJECTS

Eastern Steppe Living Landscape Project - Sustaining Wildlife and Traditional Livelihoods in the Arid Grasslands of Mongolia *Wildlife Conservation Society*

www.wcs.org

Eastern Steppe Conservation Planning

In April the WCS/USAID Eastern Steppe Program staff continued to work on various components of the Eastern Steppe conservation planning project. Outputs from the aimag-level participatory workshops held in January and February 2008 were finalized and a series of meetings were held with other conservation organizations working on the Eastern Steppe. On April 18th, WCS program staff attended a workshop on "Partnerships and Planning Processes for Conservation-Lessons Learnt in the Western USA and Mongolia", organized by The Nature Conservancy, and participated in developing a strategy for the Tolson Hulstai Nature Reserve in Dornod aimag.

Eastern Steppe Community-based Conservation Development

The WCS/USAID Living Landscapes Project organized and hosted a workshop entitled "*Community-based Wildlife Conservation in Mongolia: Successes and Lessons Learned*," which was held on April 16th and 17th in Ulaanbaatar. The overall aim of the workshop was improved wildlife and natural resource management and protection in Mongolia through information sharing about effective community-based wildlife and natural resource conservation approaches. The key topic areas of the workshop included 1) community-based wildlife conservation approaches, 2) community partnerships – the legal framework and participation in decision making, and 3) resources and skills for communities.

The workshop provided an important opportunity for the many organizations supporting community partnerships and natural resource conservation in Mongolia to communicate and identify areas of collaboration. Over 50 participants representing NGOs, community-conservation groups, and projects funded by bilateral and multilateral organizations attended the workshop. The United Nations Development Programme (UNDP) Altai-Sayan Project provided supplementary financial support for the event which allowed for the inclusion of a larger and broader group of participants. Maria Fernandez-Gimenez, a professor from Colorado State University, assisted with workshop facilitation and gave a presentation on *Developing Effective Governance and Participation in Community-based Conservation*.

There was strong consensus among participants that herder community partnerships are an important part of promoting and achieving sustainable wildlife and natural resource management in Mongolia. Herder community partnerships are well positioned based on the fact that their members 1) reside in areas of conservation concern, 2) have a direct impact on natural resources such as wildlife, and 3) can monitor and manage wildlife and natural resources in their community-managed areas. Herder communities are motivated to conserve natural resources because they depend on them for their livelihoods. These resources include wildlife and their products, water sources, livestock pasture, fuel sources such as willow & dung, and wild plants for food and medicinal purposes.

Training & Capacity Building

In April the WCS Mongolia program received technical assistance from Dr. Madhu Rao, WCS Regional Technical Advisor and Coordinator for Asia for the Network of Conservation Educators and Practitioners (NCEP), as well as Dr. Will Banham, WCS Director of Training and Capacity Building. Activities during their joint visit included: 1) co-hosting a workshop at the National University of Mongolia designed to introduce faculty to conservation biology curriculum development resources provided through NCEP, a program developed by the Center for Biodiversity Conservation of the American Museum of Natural History; 2) preparing a project application to the *RARE Pride Program* as part of our herder community-based conservation outreach work on the Eastern Steppe; and 3) building a “training and capacity building” strategic plan for the WCS Mongolia program.

WCS Field Veterinary Program

Avian Influenza- GAINS: Laboratory analyses of avian influenza samples collected during the WCS surveys in 2007 have been received from the University of California Davis. In total 1,021 samples collected from 511 individual birds were analyzed using reverse transcriptase polymerase chain reaction (RT-PCR) protocols. Of these, 48 were found to contain avian influenza A virus, however, all of these tested negative for subtype H5. All samples found to be positive for Influenza A were submitted for viral isolation at the USDA Southeast Poultry Research Laboratory in Georgia, from which two low pathogenic H13N6 viruses were cultured (from Mongolian Gull samples). This work was supported through the National Institutes of Health and National Institute of Allergies and Infectious Diseases (NIH-NIAID) under the Centers for Excellence in Avian Influenza Research and Surveillance (CEIRS) program.

Serum samples submitted to the University of Georgia with support through the USAID-funded Global Avian Influenza network for Surveillance (GAINS) program were tested using a new IDEXX ELISA kit designed for use in multiple species. In total, 65 samples collected during the surveys performed by WCS in 2006 and 389 samples from the 2007 surveys were analyzed. The developmental kits performed very well, and detected 12 samples with antibodies to Influenza A viruses from 2006 and 77 from 2007. Most significant sero-prevalence rates in 2006 were found among Swan Geese (14%, n = 29) and Whooper Swan (27%, n = 11). While in 2007 highest sero-prevalence rates were found among Bean Geese (38%, n=21), Whooper Swan (34%, n=120) and Ruddy Shelduck (34%, n=32). These kits are now being prepared for commercial distribution.

Upcoming Events

On 9 and 10 May 2008 the WCS Mongolia Program Avian Influenza Project will host the "First Mongolian Bird Banding Workshop: The Science and Conservation of Bird Marking." The workshop will be held at the National University of Mongolia (NUM), Building 1, Room 320. A field practical will be held on the second day of the workshop on the outskirts of Ulaanbaatar. Participants will include professors and students from the NUM, representatives from the Ministry of Nature and Environment, and researchers from the Institute of Biology of the Mongolian Academy of Sciences.

The Training, Advocacy and Networking Project (TAN)

Mercy Corps

www.mercycorps.org.mn

Uvurkhangai School Project

With the Uvurkhangai branch of the *Scouts Association's* "Right Way, Right Attitude" project nearing its completion, most of the recommendations issued by the Scouts Association in December 2007 have been addressed. These recommendations were based on questionnaires and focus groups involving students, parents, teachers and mid-level administrators. Changes instituted based on these recommendations are as follows:

- A regular schedule of meetings for the school's board has been established. Moreover, new board members will be voted in by teachers and administrators, and no longer appointed by the Director;
- Teachers have access to the school budget during Teachers Council meetings;
- A "partnership council" of parents, teachers, and children has been established and has been meeting monthly since January;
- Training for teachers and staff in participatory teaching methods and communications has been offered, with further trainings planned; and
- Since January, students have filled out teacher evaluation forms, which are now used in the annual teacher evaluation process.

The remaining issues to be addressed are the conditions of the restroom and cafeteria, which will be addressed after planned school renovations, and the restructuring of the school's trade union, which cannot be done before the trade union's annual meeting later this spring.

Uvurkhangai Regional Hospital

In April the CSO *Local Initiative* carried out its second customer satisfaction survey as part of its project to improve service at the Arvaikheer's Regional Medical Center, a large hospital which treats approximately 150,000 patients every year. The first customer service satisfaction survey carried out last year identified dangerously poor water quality as the number one concern of patients. This ultimately led to an investigation by the project team, which revealed that the hospital administrator and accountant were misappropriating funds in the budget allocated for city water, all the while using substandard water from a well behind the hospital. The latest survey highlighted the poor service quality in the emergency room, the unsanitary conditions in hospital bathrooms, and the use of unclean bed linen as the top concerns. Local Initiative staff will now work together with hospital staff to address these concerns.

Bulgan Family Clinic

In Bagh No. 1 of Bulgan Soum, the CSO *The Foundation for the Empowerment of Rural Women* (FERW) has begun implementing their project entitled "Improving Service at the Family Clinic." The project began with some needed renovation work in the clinic's interior, and will continue through the summer with numerous public health trainings.

Ultimately the most important part of this project, however, is its advocacy component. Built by World Vision in 2003, the clinic was never included in the local budget and as such is only made use of on the very occasional visits by doctors from the aimag center. In April FERW held their first meeting with local officials regarding the clinic's inclusion in the local budget and the allocation of funds for a full time staff member. Local officials allocated 200,000 MNT per month for a full time doctor at the clinic, and declared their intention to include money for other clinic expenses in the next budget in June.

Arkhangai Garbage Project Concludes

The local CSO *Women for Social Progress* finished implementation of the project designed to address the problem of poor garbage collection in Bagh No. 4 of Erdenebulgan soum in Arkhangai. The final month focused on fixing the details of the new garbage collection system, whereby each bagh household will pay 1,500 MNT each month for garbage collection services. Local officials have already expanded the local garbage dump in order to prepare for the increased deliveries that it will now receive.

Arkhangai Anti-Alcoholism Project

The *Women's Council* CSO in Arkhangai has just begun an anti-alcoholism project in Tsenkher Soum. Alcohol abuse by both children and adults was one of the top community issues identified by residents during the community assessment process. In April the project team, together with the school social worker, began the process of creating a team of student trainers who will work with the other children of the school to educate them on the dangers of alcohol abuse.

April Training Overview

April saw the continuation of capacity building trainings for CSOs in all TAN aimags, covering such topics as financial management, fundraising, organizational management

and communications skills. In Uvurkhangai, CSOs and local trainers identified future trainings that they want to see offered for themselves and for community members, specifically monitoring of government services, budget monitoring, methods of communicating with local government, and civic participation.

May Activities

In May, TAN will collect and review final documentation for subgrants ending in April and May; conduct ongoing monitoring of new projects; convene its quarterly meeting; distribute health and hygiene kits from Mercy Corps' material aid office; and carry out an experience-sharing tour for TAN CSOs in Khentii.

Innovating, Measuring and Promoting Poverty Alleviation by Cooperatives in Transition Societies (IMPPACTS)

CHF International

www.chfmongolia.org

Cooperative Unions Workshop

In April, IMPPACTS met with representatives of the Norwegian Lutheran Mission (NLM), Wool Producers and Manufacturers Program (WPMP), and the National Cooperative Development Program of the Ministry of Food and Agriculture to plan the agenda for a two-day workshop that will focus on strengthening the capacity of cooperative unions. Specifically, the workshop will identify ways to motivate cooperative members and improve relations between local cooperatives and cooperative unions. The workshop will also address how local cooperatives can inform cooperative unions about their needs, and ways for unions to respond to these needs and support local cooperatives.

Cooperative Law Working Group

The Cooperative Law Working Group met on April 17th to prepare a draft of the cooperative law amendments for submittal to the GOM's Ministry of Food and Agriculture. At the meeting working group, members discussed and voted on various components of draft law. The members were able to compromise on the minimum number of members required to form a cooperative, and the Working Group will propose reducing the requirement from nine to five. Mr. Bayanmonkh, Chair of the Working Group, commented that he does not expect the Cooperative Law Amendments to be discussed during the current session of Parliament.

Mongol Germany Bridge NGO

The IMPPACTS project and GER Initiative collaborated with Mongolian-German Bridge NGO to provide trainings for over 40 low-income and single mother clients who are running or are interested in running a sewing business. IMPPACTS provided trainings on the advantages of working as a group and the basic knowledge of cooperatives. IMPPACTS and GER are now working with the participants to form new cooperatives. The Mongol Germany Bridge NGO will provide the cooperatives with orders to produce cotton bags as part of their program to reduce the use of plastic bags in Mongolia.